

**CHAPTER NO. 599**

**SENATE BILL NO. 2960**

**By Atchley**

**Substituted for: House Bill No. 2913**

**By Whitson**

AN ACT To amend Tennessee Code Annotated, Title 67, Chapter 1, relative to the keeping and maintenance of certain records by taxpayers who are subject to taxes that are administered by the Department of Revenue, the department's access to such records, and the imposition of noncompliance penalties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 1, Part 1, is amended by adding the following as a new section:

Section \_\_\_\_\_. (a) All persons and entities subject to any tax administered by the commissioner shall keep and preserve suitable records from which the taxpayer and the commissioner can determine the Tennessee tax liability, if any. All such records shall be open to examination at all reasonable hours by the commissioner or any authorized agents of the commissioner. If the taxpayer maintains any such records in an electronic format, the taxpayer shall comply with reasonable requests by the commissioner or the commissioner's authorized agents to provide those electronic records in a standard record format.

(b) Any taxpayer who fails to comply with the provisions of this section shall be assessed taxes plus any applicable penalty and interest based on the best information available to the department and the burden shall be on the taxpayer to show by clear and cogent evidence that the assessment is incorrect.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 3, 2002



JOHN S. WILDER  
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 9<sup>th</sup> day of April 2002



DON SUNDQUIST, GOVERNOR